

106TH CONGRESS
1ST SESSION

H. R. 1715

To extend the expiration date of the Defense Production Act of 1950, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1999

Mr. BACHUS (for himself and Ms. WATERS) (both by request), introduced the
following bill; which was referred to the Committee on Banking and Fi-
nancial Services

A BILL

To extend the expiration date of the Defense Production
Act of 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Defense Production
5 Act Amendments of 1999”.

6 **SEC. 2. EXTENSION OF THE DEFENSE PRODUCTION ACT OF**
7 **1950.**

8 Subsection 717(a) of the Defense Production Act of
9 1950 (50 U.S.C. App. 2166(a)) is amended in the first
10 sentence by striking “Title I (except section 104), title III,

1 and title VII (except sections 708 and 721), and all au-
 2 thority conferred thereunder, shall terminate at the close
 3 of September 30, 1999” and inserting “Title I (except sec-
 4 tion 104), title III, and title VII (except sections 707, 708,
 5 and 721), and all authority conferred thereunder, shall
 6 terminate at the close of September 30, 2002”.

7 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

8 Section 711(b) of the Defense Production Act of
 9 1950 (50 U.S.C. App. 2161(b)) is amended by striking
 10 “1996, 1997, 1998, and 1999” and inserting “2000,
 11 2001, and 2002”.

12 **SEC. 4. LOAN GUARANTEES.**

13 Section 301 of the Defense Production Act of 1950
 14 (50 U.S.C. App. 2091) is amended—

15 (1) in subsection (a), by inserting “create,
 16 maintain,” after “guaranteeing agency to be nec-
 17 essary to”;

18 (2) in subsection (a)(3)(D), by striking “output
 19 of domestic industrial capability” and inserting
 20 “foreseeable output of domestic industrial capa-
 21 bility”; and

22 (3) in subsection (e)(1), by amending subpara-
 23 graphs (A) through (C) to read as follows:

24 “(A) Except as provided in subparagraph
 25 (D), no guarantee may be made under this sec-

tion until 30 days after the President notifies Congress of an industrial resource or critical technology item shortfall which such guarantee is intended to correct and that such guarantee is in accordance with the provisions of subsection (a)(3) of this section.

“(B) Notification shall be transmitted in the budget or in writing to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives.

“(C) If the making of any guarantee or guarantees to correct an industrial resource shortfall would cause the aggregate outstanding amount of all guarantees for such shortfall to exceed \$50,000,000, any such guarantee or guarantees may be made only if specifically authorized by law.”.

SEC. 5. LOANS TO PRIVATE BUSINESS ENTERPRISES.

Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092) is amended—

(1) in subsection (a), by striking “for the expansion of capacity” and inserting “for the creation, maintenance, or expansion of capacity”;

1 (2) in subsection (b)(2)(D), by striking “output
2 of domestic industrial capability” inserting “foresee-
3 able output of domestic industrial capability”; and

4 (3) in subsection (c) by amending paragraphs
5 (1) through (3) to read as follows:

6 “(1) Except as provided in paragraph (4), no
7 loan may be made under this section until 30 days
8 after the President notifies Congress of an industrial
9 resource or critical technology item shortfall which
10 such loan is intended to correct and that such loan
11 is in accordance with the provisions of subsection
12 (b)(2) of this section.

13 “(2) Notification shall be transmitted in the
14 budget or in writing to the Committee on Banking,
15 Housing, and Urban Affairs of the Senate and the
16 Committee on Banking and Financial Services of the
17 House of Representatives.

18 “(3) If the making of any loan or loans to cor-
19 rect an industrial resource shortfall would cause the
20 aggregate outstanding amount of all loans for such
21 shortfall to exceed \$50,000,000, any such loan or
22 loans may be made only if specifically authorized by
23 law.”.

1 **SEC. 6. PURCHASES OF MATERIALS AND INSTALLATION OF**
2 **EQUIPMENT.**

3 Section 303 of the Defense Production Act of 1950
4 (50 U.S.C. App. 2093) is amended—

5 (1) by striking “**SEC. 303.**” at the beginning of
6 such section and inserting the following new section
7 heading:

8 **“SEC. 303. REDUCTION OF INDUSTRIAL RESOURCE AND**
9 **CRITICAL TECHNOLOGY ITEM SHORTFALLS.”;**

10 (2) by amending paragraph (a)(1) to read as
11 follows:

12 “(a)(1) To reduce industrial resource and critical
13 technology item shortfalls, the President may make
14 provision—

15 “(A) for purchases of our commitments to pur-
16 chase an industrial resource or a critical technology
17 item, for Government use or resale;

18 “(B) for the encouragement of exploration, de-
19 velopment, and mining of critical and strategic ma-
20 terials, and other materials;

21 “(C) for the encouragement of development or
22 improvement of production capabilities of an indus-
23 trial resource or critical technology item; and

24 “(D) for the insertion of critical technology
25 items into military systems.”;

1 (3) in subparagraph (a)(5)(D) by striking “out-
2 put of domestic industrial capability” and inserting
3 “foreseeable output of domestic industrial capa-
4 bility”;

5 (4) in subsection (a)(6), by amending subpara-
6 graphs (A) and (C) to read as follows:

7 “(A) Except as provided in paragraph (7),
8 no action may be taken under this subsection
9 until 30 days after the President notifies Con-
10 gress of an industrial resource or critical tech-
11 nology item shortfall which such action is in-
12 tended to correct and that such action is in ac-
13 cordance with the provisions of paragraph (5).

14 “(B) Notification shall be transmitted in
15 the budget or in writing to the Committee on
16 Banking, Housing, and Urban Affairs of the
17 Senate and the Committee on Banking and Fi-
18 nancial Services of the House of Representa-
19 tives.

20 “(C) If the taking of any action or actions
21 under this section to correct a shortfall would
22 cause the aggregate outstanding amount of all
23 such actions for such industrial resource short-
24 fall to exceed \$50,000,000, any such action or

1 actions may be taken only if specifically author-
2 ized by law.”; and

3 (5) in subsection (g), by inserting “and for the
4 expansion of supply of difficult to procure spares
5 and other replenishment materiel.” after “other in-
6 dustrial resources”.

7 **SEC. 7. CIVIL-MILITARY INDUSTRIAL INTEGRATION.**

8 Section 310 of the Defense Production Act of 1950
9 (50 U.S.C. App. 2099a) is amended to read as follows:

10 **“SEC. 310. CIVIL-MILITARY INDUSTRIAL INTEGRATION.**

11 “When in the judgment of the President such action
12 will reduce defense acquisition costs or strengthen indus-
13 trial capabilities needed to support the national defense,
14 the President, using authorities provided in this title, may
15 make provision to achieve integration of commercial and
16 military production.”.

17 **SEC. 8. TITLE III LOANS.**

18 Title VII of the Defense Production Act of 1950 (50
19 U.S.C. App. 2151, et seq.) is amended by adding at the
20 end the following new section:

21 **“SEC. 712. TITLE III LOANS.**

22 “New direct loans may not be obligated and new loan
23 guarantees may not be committed except to the extent
24 that appropriations of budget authority to cover their cost

1 are made in advance as required by section 504 of the
2 Federal Credit Reform Act of 1990.”.

3 **SEC. 9. TECHNICAL AMENDMENTS.**

4 (a) Section 301(a) of the Defense Production Act of
5 1950 (50 U.S.C. App. 2091(a)) is amended by striking
6 “714(a)(1)” and inserting “702(16)”.

7 (b) Section 301(e) of such Act (50 U.S.C. App.
8 2091(e)) is amended by striking “Identification of indus-
9 trial resource” and inserting “Identification of industrial
10 resource or critical technology item”.

11 (c) Subparagraph 301(e)(1)(D)(ii) of such Act (50
12 U.S.C. App. 2091(e)(1)(D)(ii) is amended by inserting
13 “item” after “critical technology”.

14 (d) Section 301(e)(2)(B) of such Act (50 U.S.C. App.
15 2091(e)(2)(B)) is amended by striking “, Finance and
16 Urban Affairs” and inserting “and Financial Services”.

17 (e) Section 303(a)(7)(B) of such Act (50 U.S.C. App.
18 2093(a)(7)(B)) is amended by inserting “item” after
19 “critical technology”.

20 (f) Section 304(b)(1) of the Defense Production Act
21 of 1950 (50 U.S.C. App. 2094(b)(1)) is amended in the
22 second sentence by striking “section 711(c)” and inserting
23 “section 711(b)”.

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